



TENNESSEE REGISTRY OF ELECTION FINANCE

Campaign Finance Audit of Judge D. Michael Swiney Election Year 2006



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STATE OF TENNESSEE



REGISTRY OF ELECTION FINANCE

April 30, 2007

Members of the Registry of Election Finance
404 James Robertson Parkway, Suite 1614
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Ladies and Gentlemen:

Transmitted herewith are the agreed upon procedures for the campaign finance audit of Judge D. Michael Swiney 2006 election campaign for the Court of Appeals. This audit was conducted pursuant to the requirements of Section 2-10, *Tennessee Code Annotated*, the Comprehensive Governmental Ethics Reform Act of 2006.

The procedures were developed to aid the Registry of Election Finance in its responsibilities to monitor and enforce Tennessee's Campaign Financial Disclosure Law and Campaign Contribution Limits Law. The candidate is responsible for compliance with campaign finance laws and the accuracy of campaign financial disclosures. The sufficiency of these procedures is solely the responsibility of the Registry's internal audit group. Consequently, we make no representation regarding the sufficiency of the agreed upon procedures described in the report for any other purpose than aiding the Registry.

This report is intended for the information and use of the Members of the Tennessee Registry of Election Finance as outlined; and is not intended to be and should not be used by anyone other than the Registry without understanding the objectives, purposes, and underlying assumptions. However, this report is a matter of public record.

Sincerely

Jay Moeck CPA, CFE
Audit Manager

STATE OF TENNESSEE
REGISTRY OF ELECTION FINANCE

Audit Highlights

Campaign Finance Audit
Judge D. Michael Swiney
Election Year 2006

AUDIT OBJECTIVES

The objectives of the audit were to determine Judge D. Michael Swiney's compliance with certain provisions of campaign finance disclosure laws and regulations; compliance with certain provisions of campaign contribution limits laws and regulations; accuracy and completeness of disclosures on the Second Quarter, Pre-General and Third Quarter Campaign Financial Disclosure Statements during 2006; and to recommend appropriate actions to correct any deficiencies.

FINDINGS

The audit report contains no findings.

Campaign Finance Audit
Judge D. Michael Swiney

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Campaign Finance Audit Judge D. Michael Swiney

INTRODUCTION

AUDIT AUTHORITY

In February 2006, the Tennessee Legislators and Governor Phil Bredesen enacted the “Comprehensive Governmental Ethics Reform Act of 2006,” which amended Tennessee’s campaign finance disclosure laws and duties of the Registry of Election Finance. The legislation established the audits of campaign disclosure reports. *Tennessee Code Annotated*, Title 2, Chapter 10, Section 206 and 212 authorizes the Registry of Election Finance (the “Registry”) to conduct audits of campaign finance disclosure statements filed with the Registry. The audit was initiated based on *Tennessee Code Annotated*, Title 2, Chapter 10, Section 212 (a)(3), which requires the Registry to audit one candidate from the Supreme Court, Court of Appeals and Criminal Court of Appeals.

AUDIT PURPOSE

The Registry’s campaign finance audits were developed to assist and encourage candidate compliance with campaign disclosure laws. The audit process assists the Registry in providing timely and accurate campaign information to government officials and the general public. The Registry’s audits provide a tool to the Registry to evaluate the effectiveness of the campaign financial disclosure process. In addition, the audits assist the Registry in the enforcement of campaign finance limit laws and campaign finance disclosure laws. Finally, the audit reports are intended to assist the candidate and State of Tennessee in promoting governmental accountability and integrity.

AUDIT SCOPE

Tennessee’s Campaign Financial Disclosure Law requires candidates to make biannual financial disclosures as of the date of the first contribution or first expenditure, whichever occurred earlier. The biannual report periods are from January 16 to June 30 and July 1 to January 15 of each year. During an election year, the disclosures expand to quarterly reports, pre-primary reports, and pre-general reports. This audit relates to only disclosures made subsequent to the passage and approval of the Comprehensive Governmental Ethics Reform Act of 2006. The act was approved on February 15, 2006. Therefore, the audit reviewed only Chief Justice William M. Barker’s disclosures during 2006 for the second quarter, pre-general and third quarter reports.

CAMPAIGN ORGANIZATION

Judge D. Michael Swiney was a candidate in the August 3, 2006 general election for the Court of Appeals. Judge D. Michael Swiney did not file an Appointment of Political Treasurer Statement. The statement was not required to be filed with the Registry of Election Finance since no contributions or expenditures were made by or on behalf of the campaign for the period of April 1, 2006 through January 15, 2007.

The candidate's first financial disclosure was the 2006 Second Quarter report filed on July 5, 2006. The candidate's concluding financial disclosure report was the 2006 Third Quarter report filed on October 3, 2006. The 2006 Third Quarter report showed no cash on hand, no obligations and no loans. The candidate completed his reporting requirements for the 2006 election campaign as of October 3, 2006.

OVERVIEW OF FINANCIAL ACTIVITIES

The following financial amounts are a summary of the financial disclosures made by the candidate. The summarized amounts are from the following campaign financial disclosure reports: 2006 Second Quarter, 2006 Third Quarter and 2006 Pre-general. The amounts displayed are for informational purposes only.

Summary of Financial Activity

Cash on hand at 4/1/2006	\$0.00
Total receipts	\$0.00
Total disbursements	\$0.00
Cash on hand at 9/30/2006	\$0.00
Loans outstanding	\$0.00
Obligations at 9/30/2006	\$0.00

OBJECTIVES, METHODOLOGIES, CONCLUSIONS

CONTRIBUTIONS AND RECEIPTS

The objectives of our review of contributions and loans were to determine whether

- campaign contributions from individuals and Political Action Committees (PAC) were within limits;
- all contributions were from non-prohibited sources;
- all receipts received were reported to the Registry, reported in the proper period, and in compliance with *Tennessee Code Annotated*, Section 2-10-105 and Section 2-10-107 and the Registry's rules;
- all contributions were supported by bank statements and deposit slips;
- loans received were reported to the Registry, reported in the proper period, and in compliance with *Tennessee Code Annotated*, Section 2-10-105 and Section 2-10-107 and the Registry's rules; and
- loans received from lending institutions were supported by loan agreements.

We obtained the candidate's 2006 Second Quarter, 2006 Third Quarter and 2006 Pre-general campaign financial disclosure reports. These reports indicated that no contributions or receipts were provided to the campaign for the period of April 1, 2006 through January 15, 2007. These reports indicated that no loans were provided to the campaign for the period of April 1, 2006 through January 15, 2007. The candidate confirmed in a written statement, that no contributions were made by or on behalf of the campaign for the period of April 1, 2006 through January 15, 2007. Therefore, no additional testwork of receipts was performed.

Based on the review of the candidate's campaign financial disclosure reports and written statements, the candidate's completed 2006 Second Quarter, 2006 Pre-general and 2006 Third Quarter campaign financial disclosure reports appear to properly report the contribution and receipting activities of the campaign. In addition, the disclosures appear to comply with campaign finance portions of the *Tennessee Code Annotated* and the Registry's rules.

DISBURSEMENTS AND OBLIGATIONS

The objectives of our review of disbursements and obligations were to determine whether

- all disbursements and obligations were reported to the Registry, reported in the proper period and in compliance with *Tennessee Code Annotated*, Section 2-10-107 and Section 2-10-114 and the Registry rules; and
- disbursements and obligations were supported by canceled checks and bank statements.

We obtained the candidate's 2006 Second Quarter, 2006 Third Quarter and 2006 Pre-general campaign financial disclosure reports. These reports indicated that no disbursements were made by or on behalf of the campaign for the period of April 1, 2006 through January 15, 2007. These reports indicated that no obligations were made by or on behalf of the campaign for the period of April 1, 2006 through January 15, 2007. The candidate confirmed in a written statement, that no expenditures were made by or on behalf of the campaign for the period of April 1, 2006 through January 15, 2007. Therefore, no testwork of disbursements or obligations was performed.

Based on the review of the candidate's campaign financial disclosure reports and written statement, the candidate's completed 2006 Second Quarter, 2006 Pre-general and 2006 Third Quarter campaign financial disclosure reports appear to properly report the disbursement activities of the campaign. The disclosures appear to comply with campaign finance portions of the *Tennessee Code Annotated* and the Registry's rules.

RESOLUTIONS

REGISTRY OF ELECTION FINANCE ACTIONS

The Members of the Registry of Election Finance reviewed the 2006 campaign finance audit of Judge D. Michael Swiney during the May 9, 2007 regular monthly meeting. The report contained no findings or recommendations for corrective actions; therefore, the Registry voted to accept and approve the audit report with no further action.